



# Starbucks' newest venture

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ALAN SUN

*In which London Borough should Starbucks open its newest coffee shop?*

# Where are there fewer coffee shops than expected?

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- Each London Borough has many venues of different types
- Frequency of different venue types in each Borough are correlated
- Some Boroughs have fewer coffee shops than the other venue types suggest
- New coffee shop in this Borough should be more profitable

# Data acquisition and cleaning

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- London Borough location data was scraped from the Wikipedia page on London Boroughs
- There was complete data for 32 London Boroughs, and data for the City of London was added manually
- Data was cleaned using BeautifulSoup, then put into a pandas dataframe



# Map of London Boroughs created using Folium

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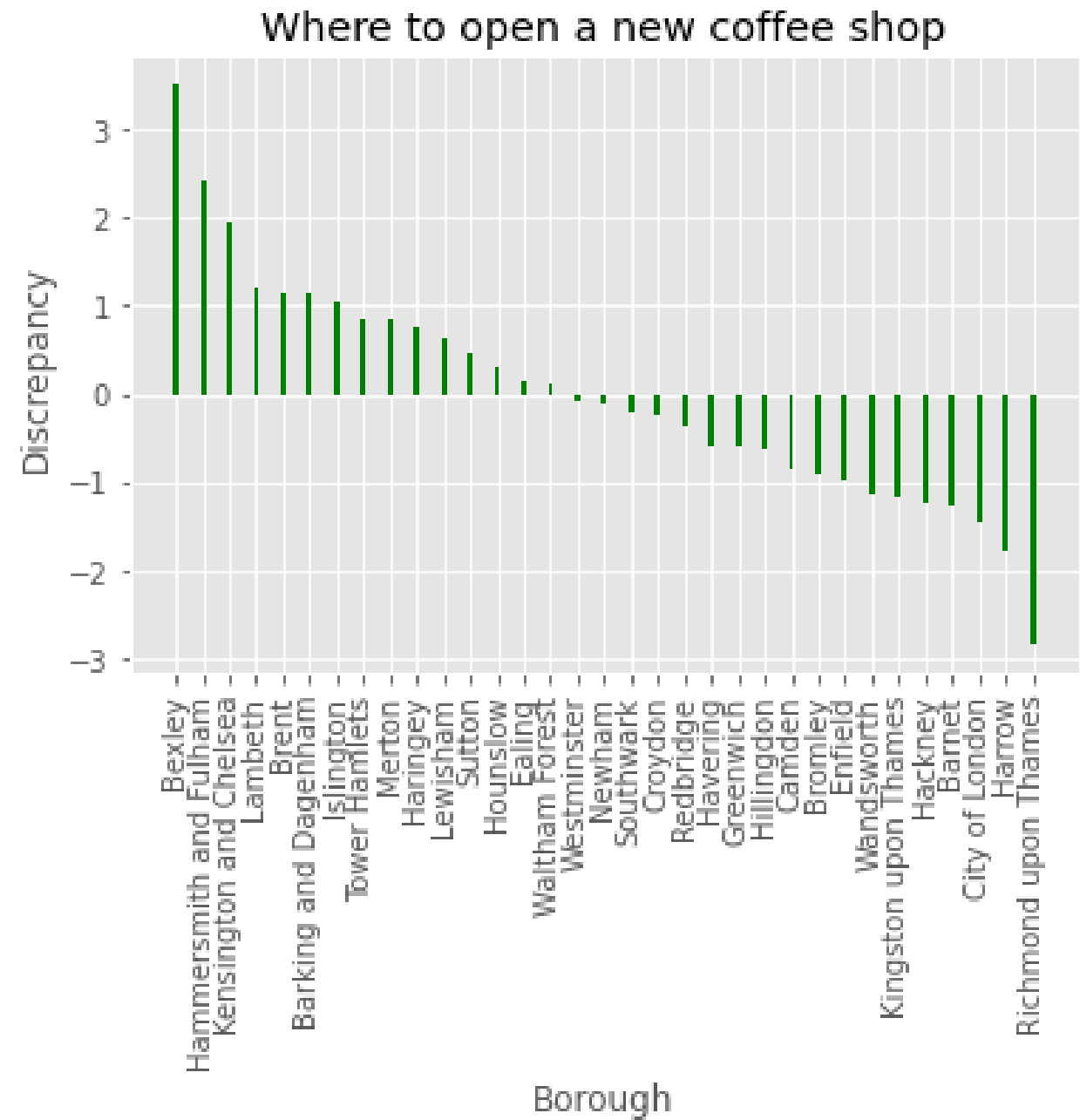
# Predictive linear model

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- Frequency of venue types in each Borough used as feature variables
- Number of coffee shops in each Borough used as target variables
- $[(\text{Number of predicted coffee shops}) - (\text{Number of actual coffee shops})]$  gives us the “discrepancy”
- Discrepancy gives a quantitative value for how profitable a new coffee shop in the Borough will be

# Graph of Discrepancy by Borough

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# Conclusion and limitations

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- Bexley, Hammersmith and Fulham, and Kensington and Chelsea should be the most profitable Boroughs in which to open a new Starbucks shop
- Our linear model is perhaps an over-simplification, and may have high bias
- Although this study may have uses, large companies can afford to ignore small scale dynamics